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S E C R E T SECTION 01 OF 05 NEW DELHI 001727

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SUBJECT: PDP WINS PUBLIC BATTLE OVER JAMMU AND KASHMIR
DEMILITARIZATION

REF: NEW DELHI 1704

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Classified By: PolCouns Ted Osius, Reason 1.5 (B,D)

¶1. (S) Summary: People's Democratic Party (PDP) leader Mufti Muhammad Sayeed rather astutely and with exquisite timing caused a major dilemma that threatened to unravel the Congress-PDP coalition government of Jammu and Kashmir state.

In negotiations before the SAARC Summit and on the eve of Uttar Pradesh polls to save the Congress-led government, Prime Minister Singh met with Mufti several times to discuss his demand that the centre offer Kashmiris some form of demilitarization or troop confinement to barracks. Even Sonia Gandhi took a personal interest in keeping the alliance together, likely because early elections in J&K would complicate and dilute Congress's campaigning in Uttar Pradesh. Defense Minister Antony, J&K Chief Minister Azad, and the Indian security services all signaled their concern with any form of troop withdrawal, replacement, or demilitarization in the near term, but Singh nonetheless has reportedly taken up the topic with his innermost circle. It appears for the time being that Mufti has won this latest battle over the hearts, minds, and sentiments of those in the Kashmir Valley. Indeed, our interlocutors say PDP manufactured the crisis either to steal the issue and any eventual credit from the All Parties Hurriyat Conference (APHC) or to force early elections because of PDP's fear that moderate separatists may steal its votes if they join the political fray. With J&K elections to occur sometime within the next 18 months, Mufti has struck a vulnerable Congress at

the most opportune moment, scoring valuable political points.

Still, we would be surprised if the Indian Government takes any meaningful steps in the near term on troop strength in J&K. End Summary.

Congress Partially Concedes to PDP

12. (S) Over the course of the past several weeks, Mufti Muhammad Sayeed of the People's Democratic Party (PDP) and Congress-appointed Jammu and Kashmir Chief Minister Gulam Nabi Azad had argued over PDP's call for demilitarization of the Kashmir Valley in response to an ongoing scandal over investigations of blatant custodial killings. Mufti came to Delhi several times at the end of March--and at Prime Minister Singh's request--as a last-ditch effort to repair the fragile alliance of convenience between the Congress Party and People's Democratic Party in J&K. While Mufti received no commitments that troops would be removed, he is victorious nonetheless since the issue of demilitarization is now being taken up and reviewed at the highest levels in Delhi. On April 9, Singh chaired a "high power" committee meeting that addressed the issue and included Defense Minister A.K. Antony, Army Staff General J.J. Singh, and National Security Advisor M.K. Narayanan. All the while, Antony has been telling the press that there will be no troop withdrawal from J&K without the advice of the Indian armed forces, and security concerns appear to have trumped any temptation for an immediate and politically-minded solution for the moment. This episode unfolded against the backdrop of Congress's large, looming, and possibly losing electoral battle in Uttar Pradesh, and just before the SAARC Summit convened in Delhi. On March 19 Sonia Gandhi held a Congress Party meeting declaring that Singh must do everything in his

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power to keep the PDP-Congress coalition in J&K going. Press reports suggest she was likely motivated by an interest to avoid added pressure and distractions during the Uttar Pradesh elections. In addition, the Indian Government could not afford to have demilitarization on the front pages when the SAARC delegations were in town.

Security-Wallahs' Concerns Create Space for Delay

13. (S) J&K Chief Minister Gulam Nabi Azad and his supporters in the Congress Party had attempted to place significant pressure on the Prime Minister not to meet Mufti's demands. Azad came to New Delhi to meet with the PM on March 21, publicly arguing that withdrawing early would reverse the progress the security services have made in the Valley. He also adopted the line that demilitarization must be agreed upon by "all political parties" in J&K, and that nobody should "be allowed to hijack the issue." In a Hindustan Times article, National Security Advisory Board member Manoj Joshi detailed the concerns of security officers that the situation in the Valley is nowhere near normal, and the idea that the decline in violence and infiltration are enough to begin demilitarization is fallacious. Joshi estimates--based on "back of the envelope calculations"--that currently there are 100,000 army and central police force personnel in the Kashmir Valley and 60,000 J&K police. Press reports say Prime Minister Singh sent Mufti a letter on March 15, arguing that it would be impossible to draw down Indian security forces in J&K, at least until India could monitor the post-winter violence and infiltration trends in the Valley at the end of summer 2007. Singh has stuck to this security forecast while humoring Mufti in the meantime. This wait-and-see approach rather conveniently provides several months' time for Congress to hold off on taking a firm position on the troop withdrawal issue--or at least until after the UP elections, according to several media sources.

14. (S) An article by Praveen Swami in Outlook says that the Prime Minister had already been working toward some form of

demilitarization by replacing some 11,000 members of the Border Security Force (BSF) with Central Reserve Police Forces (CRPF), removing the military from counter-terrorism duties. Swami told Poloff on March 24 that the CRPF is not as effective as the Army in anti-insurgency operations as they operate essentially as a police force. In the past three years, he claimed, they have not been successful in a single operation. While in theory they were supposed to be a highly trained counter-terrorism force, he said, the government is moving so quickly to send them in that they are receiving training only "on the job." They are also not as well armed as the Border Security Force (BSF), and they are trained only to reach for guns as a last resort. Ironically, he said, the officers who are accused of extra-judicial killings in the recent scandal are the almost exclusively Kashmiri Jammu and Kashmir police, not the BSF or the CRPF, and the highest ranking officer accused in the scandal was one Mufti himself hand-picked while he was Chief Minister.

Opposition Sounds the Alarm

15. (S) The Bharatiya Janata Party (BJP) capitalized on the opportunity to cast scorn on Congress's discussions with the

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PDP. According to the media, the BJP was alarmed by reports of "troop relocation" within J&K, which military sources reportedly said were routine. BJP spokesman Prakash Javadekar grumbled, "The question arises where the new relocation and fortification is taking place." He stressed that political expediency should not "lead to a dilution of critical security considerations" in the troubled state. Ashok Singhal of the Vishwa Hindu Parishad linked the presence of forces in J&K to a Parliamentary resolution that says the Pakistan-controlled areas of Kashmir are part of Kashmir as a whole. He sees the troops there as necessary to secure the "release" of those areas and their integration into J&K--and India.

Electioneering Against the APHC

16. (S) Praveen Swami said further that he thinks the PDP is threatening the coalition because they are concerned that President Musharraf told the All Parties Hurriyat Conference (APHC) to participate in elections in J&K in 2008. Pakistani Prime Minister Shaukat is said to have communicated the same message to separatist leaders in April 4 meetings that included Mirwaiz Umar Farooq, Shabir Shah, Bilal Ghani Lone, Fazal Haq Qureshi, Agha Syed Hassan Al-Moosvi, and perhaps others (reftel). Swami said the PDP is terrified that if or when these "real guys" get into the race PDP will not have a constituency left. He said Mufti is creating this crisis either to force early elections or to make the issue PDP's and "steal it" away from the APHC. All Parties Hurriyat Conference leader Bilal Lone echoed concern about the latter point in an April 5 meeting with Deputy PolCouns. "If Mufti takes our position, then we are forced to take a harder line than him," Lone said. Another difference that Lone pointed out is that Mufti has a whole organizational structure around him, while others like Lone have "nothing."

17. (S) Congress activist Ashok Bhan told PolOff on March 24 that Mufti is laboring under the wrong impression that there is some sort of deal between Pakistan, India, and the All Parties Hurriyat Conference. He said while PM Singh was still "keen" for a meeting with the APHC, there was no such deal at this time. He said Mufti is trying to be the only voice on the demilitarization issue, so the APHC won't be able to use the issue to join the political fray. Praveen Swami commented that this fear of Mufti's is a misnomer because it is unlikely that the Mirwaiz will enter elections any time soon because he does not have a male heir, and doing so is too great a risk to his life. He explained that Mirwaiz's mother and wife will lose millions of dollars,

including four apartments in Dubai, if he dies without a male heir because the money will go to Mirwaiz's uncle.

Azad does not Represent Kashmir

¶8. (S) PDP activist and prominent Kashmir businessman Altaf Bukhari told Poloff on March 20 that PDP has overarching concerns about the leadership of Chief Minister Gulam Nabi Azad. Azad, he said, is a Muslim from Jammu, so he does not give the Congress a "Kashmiri face" in J&K politics. His interests, Bukhari claimed, were in Jammu; in fact, the PDP had evidence that they have not yet made public that Azad has been diverting development funds away from Srinagar to Jammu.

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Azad, he claimed, spoke openly about wanting to stop the railroad currently under construction before it could reach Srinagar because it would take business away from Jammu. Thus while Mufti wants to keep the coalition alive, he has specific demands that Bukhari claims have to be met for the PDP to remain in the government.

Not Asking for Real Demilitarization

¶9. (S) Responding to press reports representing the views of hard-liners in New Delhi, Bukhari said the PDP was not asking for India to withdraw its security forces from the Valley. He said while the replacement of Border Security Forces with Central Reserve Police Forces (CRPF) began during Mufti Sayeed's time as Chief Minister, the two forces were very similar because they have the same tactics and weaponry, they are accused of the same human rights abuses, and the CRPF is essentially a paramilitary force. PDP's goal is to reduce the impact that these forces have on the everyday lives of Kashmiri civilians. He explained that the security forces occupy hospitals, schools, heritage sites like the Mughal Gardens, and privately owned land, including Kashmir's famous orchards. (Comment: The Bukhari family's burgeoning conglomerate originated in the apple juice business. End comment.) He commented that the government could build its security forces their own shelters in a matter of months, keeping them from occupying private and public buildings in Kashmir, and allowing the Kashmiri people to feel a difference in their everyday lives. To most, that is all the demilitarization they seek.

Impact on the Peace Process

¶10. (S) When asked about the consequences for the peace process if the PDP were to force fresh elections, Bukhari explained that PDP leader Mufti has offered to ally with the moderate All Parties Hurriyat Conference--allowing them to lead a J&K government even if they hold fewer seats than the PDP after elections--in order to bring peace to the Valley. The easiest thing we can give the separatists to bring about peace is political power, Bukhari said, claiming that is what Mufti had told the Prime Minister. When asked if the PDP would go so far as to help the APHC find the political space necessary to enter politics, Bukhari said PDP is a political party, after all, so "we can't ally with the APHC until after elections." Bilal Lone did not sound eager at the prospect of working with Mufti through regular political channels, but did add, "I don't have a problem if Mufti is the one to get peace in Kashmir."

Comment: Mufti Launches Preemptive Attack

¶11. (S) Comment: In this ever-lasting campaign season in Jammu and Kashmir and with the prospect of some or all of the All Parties Hurriyat Conference joining the electoral fray with Pakistan's blessings, Mufti has launched a preemptive attack to capture one of their key demands and show the

newcomers who's boss. If the APHC can no longer use a claim of having forced India to permit some form of demilitarization as political cover to enter the elections successfully, it may be pushed to a further extreme as to not

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be outdone by Mufti and the PDP. Simultaneously, the PDP now owns an issue it can wield as blackmail against the ruling coalition if it is unhappy with the results of the committee review process initiated by PM Singh. Despite Mufti and Bukhari's purported altruism, the PDP is using everything at its disposal to siphon off prospective voters from APHC, their perceived rival in still hypothetical elections, even if the ultimate cost is to the overall peace process. For Congress, J&K has become an even bigger headache. We doubt it can do much to appease Mufti without bringing upon itself a stinging BJP attack. For the government, some token gesture may be the best outcome. End Comment.
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